

**SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM**

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**AGREED-UPON PROCEDURES ENGAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/11

***Sean M. Bruno***

**Certified Public Accountants**

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**Sean M. Bruno**  
**Certified Public Accountants**

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

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Dr. Kassie Freeman, Interim President  
**Southern University System**  
Baton Rouge, Louisiana

At your request, I have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of the **Southern University - Baton Rouge Campus (the University)**, to the accounting records of the Intercollegiate Athletics Program as of the year ended June 30, 2009, solely to assist the **University** in complying with NCAA Bylaw 6.2.3.1. **The University** is responsible for the accounting records of the Intercollegiate Athletics Program. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. My procedures and findings were as follows:

**MINIMUM AGREED - UPON GENERAL PROCEDURES**

1. I obtained written representation from management as to the fair presentation of the Statement of Revenues and Expenditures of the Intercollegiate Athletics Program, completeness of required schedules and related financial information, adequacy of controls, compliance with National Collegiate Athletic Association (NCAA) rules and legislations, and other information as I considered necessary. I also verified the mathematical accuracy of amounts and agreed the Schedule of Revenues and Expenditures for the year ended June 30, 2009 to the **University's** general ledger. No exceptions were noted.
2. I obtained an understanding of the **University's** control environment and accounting systems for the Intercollegiate Athletics Program and performed test of the specific elements. I noted no exceptions based on the procedures performed.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

**(CONTINUED)**

**MINIMUM AGREED - UPON GENERAL PROCEDURES, CONTINUED**

3. I compared each operating revenue and expenditure category for June 30, 2008 and June 30, 2009, identifying variances of 20% or greater between individual revenue and expenditure categories that are 5% or more of the total. Based on procedures performed, I obtained explanations for all variances that exceed 20% or greater of revenues and expenditures between current and prior years, noting no exceptions.
4. I compared the budgeted revenues and expenditures to actual revenues and expenditures for each operating revenue and expenditure category for the year June 30, 2009, to identify any variances of 20% or greater between budgeted revenues and expenditures to actual revenues and expenditures. Based on procedures performed, I obtained explanations for all variances between budget and actual that exceeded 20% or greater for the year ended June 30, 2009, noting no exceptions.

**MINIMUM AGREED-UPON PROCEDURES FOR REVENUES**

1. I verified amounts reported as ticket sales by reviewing appropriate documentation (i.e. sales reports, receipts etc.) and comparing amounts to the general ledger, noting no exceptions.
2. I agreed amounts reported as Classic game and game guarantee revenues for football and men's & women's basketball per the general ledger to the University's contractual agreement and/or settlement statement with other Universities and vouched the related receipts, noting the following:
  - The University's management did not reconcile the Bayou Classic ticket sales revenue recorded in the general ledger with the Bayou Classic ticket sales revenue per the game settlement report. The amount per general ledger totaled \$740,742. The amount per settlement statement totaled \$677,516.

**Recommendation**

I recommend that the ticket sales revenue per the general ledger be reconciled to the ticket sales revenue per the Bayou Classic game settlement report with any variances explained.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

(CONTINUED)

**MINIMUM AGREED-UPON PROCEDURES FOR REVENUES, CONTINUED**

**Management's Response**

The final settlement report is handled in the Southern University System Foundation's Office. Per a letter dated February 6, 2008 from the SU System Office, it was noted that the settlement report is the property of the System Foundation and the Black and Gold Foundation and not considered public records. However, we will work with the System Foundation to obtain supporting documentation to support ticket sales recorded in the general ledger.

3. Per discussion with **the University's** management, they did not allocate any indirect institutional support for the year ended June 30, 2009.
4. I agreed the institutional support recorded by the institution during the year by recalculating the amount recorded as student athletic fees revenues that is transferred to **the University's** Intercollegiate Athletics Program, noting no exceptions. I also verified amounts transferred from the **University's** general ledger fund to support athletic activities, noting no exceptions.
5. I agreed the revenues from NCAA/Conference tournaments recorded by **the University** during the year by vouching supporting documentation received from the NCAA/Conference to amounts recorded in the general ledger. I noted no exceptions based on the procedures performed.
6. I agreed the revenues from royalties, advertisement, or sponsorships during the year by vouching supporting documentation from third parties to amounts recorded in the general ledger. I noted no exceptions based on the procedures performed.
7. Per discussion with **the University's** management there were no sport camps or clinics conducted during the year ended June 30, 2009.
8. I selected one operating revenue receipt from each category not previously mentioned above and agreed amounts to supporting documentation (i.e. contracts, sales reports, cash receipts) and agreed amounts to the general ledger. Based on procedures performed, I noted the intercollegiate SWAC distribution was misclassified as NCAA revenues.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

**(CONTINUED)**

**MINIMUM AGREED-UPON PROCEDURES FOR REVENUES, CONTINUED**

**Recommendation**

I recommend that management follow prescribed procedures and ensure that transactions are properly classified in the general ledger.

**Management's Response**

The University concurs with the finding. This misclassification was due to a coding error that has subsequently been corrected. The University will adhere to established procedures and ensure that transactions are properly classified in the general ledger.

**MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES**

1. I vouched a random sample of student-athletes from the listing of the University's student aid recipients. I vouched the recipient's award letters to the detail of the student accounts. I noted no exceptions based on the procedures performed.
2. I agreed contractual agreements pertaining to game guarantee expenses recorded by the University during the reporting period to related amounts recorded in the general ledger. I noted that basketball and football games guarantee expenses were recorded to intercollegiate athletic-other charges.

**Recommendation**

I recommend that management follow the prescribed procedures of classifying guarantee expenses by sport.

**Management's Response**

In accordance with the budget for Intercollegiate Athletics, all guarantees are reported under general athletics. The expenses are recorded this way for budgetary comparisons purposes.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

**(CONTINUED)**

**MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES, CONTINUED**

3. I compared current payroll amounts to the prior year's amounts and reconciled all variances greater than a pre-determined amount. I also reviewed supporting personnel action forms, W-2's, and contracts for coaches and support staff, noting appropriate approval for the related wages and fringe benefits increases and/or decreases. I noted no exceptions as a result of these procedures.
4. Per discussion with management and per payroll procedures performed above, the University did not have any severance payments to athletic department employees during the year ended June 30, 2009. I did note that the Southern University System Foundation did make a severance payment to prior year's head football coach.
5. I obtained and documented an understanding of the University's recruiting expense policies. The University's policies were compared and agreed to existing institutional and NCAA related policies without exception.
6. I obtained and documented an understanding of the University's team travel policies. The University's policies were compared and agreed to existing institutional and NCAA related policies without exception.
7. I obtained and documented an understanding of the institution's methodology for allocating indirect facilities support. Per discussion with management, the University did not allocate indirect facilities support during the year tested.
8. I vouched a random sample of operating expenditure transactions and reviewed the related purchasing documents, invoices and cancelled checks. I noted that transactions were properly classified by account but charged to intercollegiate athletics instead of the applicable sport.

**Recommendation**

I recommend that management follow prescribed procedures of classifying expenses by sport.

**Management's Response**

In accordance with the budget for Intercollegiate Athletics, the expenditures noted in the sample are reported under general athletics. The expenses are recorded this way for budgetary comparisons purposes.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

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**(CONTINUED)**

9. Select one operating expense from each category not previously mentioned above and agree to adequate supporting documentation, noting no exceptions

**MINIMUM AGREE - UPON PROCEDURES FOR NOTES AND DISCLOSURES**

1. Per review of the general ledger and discussions with the University's management, the athletic department did not receive any contributions that exceeded 10% of total contributions for the year ended June 30, 2009.
2. I obtained and gained an understanding of the policies and procedures for acquiring, depreciating, and disposing of intercollegiate athletics- related assets, noting no exceptions.
3. I agreed the capital asset schedule to the University's general ledger. During the year tested, I noted no capitalized additions that were greater than 10% of total capital additions for the year ended June 30, 2009 that pertained to the Athletic Department.

**MINIMUM AGREED - UPON PROCEDURES  
FOR AFFILIATED AN OUTSIDE ORGANIZATIONS**

1. The University's management provided a listing of all known affiliated and outside organizations that were created for or on behalf of the athletic department for year ended June 30, 2009, no exceptions noted.
2. I requested from management, a summary of revenue and expenditures for or on behalf of the Intercollegiate Athletics Programs affiliated and outside organizations. Based on procedures performed, noting no exceptions
3. I noted that the University's management did have procedures in place to gather information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's Intercollegiate Athletics Programs. No exceptions noted.




**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
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**(CONTINUED)**

4. The University's management provided an independent audit report for all known affiliated and outside organizations that received an audit during the year. No exceptions noted.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you. This report is intended solely for the information and use of the President, her designees and authorized representatives of the National Collegiate Athletics Association and is not intended to be and should not be used by anyone other than these specified parties.



**SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS**

April 15, 2010

SOUTHERN UNIVERSITY Baton Rouge  
INTERCOLLEGIATE ATHLETICS PROGRAMS  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2009

	Football	Bayou Classic Activity	Sub-total Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
<b>Operating Revenues:</b>								
Ticket sales	\$ 762,784	\$ 740,742	\$ 1,503,526	\$ 21,172	\$ 10,000	\$ 7,375	\$ -	\$ 1,532,073
Guarantees	545,000	-	545,000	85,000	-	-	-	640,000
Student Fees (NOTE 3)	-	-	-	-	-	-	2,199,424	2,199,424
NCAA revenue distribution (NOTE 8)	-	-	-	-	-	-	290,750	290,750
SWAC revenue distribution (NOTE 8)	-	-	-	-	-	-	54,189	54,189
Contra Rev-Bad Debt	-	-	-	-	-	-	(30,220)	(30,220)
Corporate Sponsorship	-	-	-	-	-	-	114,395	114,395
Other revenue	93,504	-	93,504	-	-	-	234,828	328,332
<b>Total operating revenues</b>	<b>\$ 1,401,288</b>	<b>\$ 740,742</b>	<b>\$ 2,142,030</b>	<b>\$ 106,172</b>	<b>\$ 10,000</b>	<b>\$ 7,375</b>	<b>\$ 2,863,365</b>	<b>\$ 5,128,942</b>
<b>Operating Expenditures:</b>								
Salaries & Wages	\$ 552,463	\$ -	\$ 552,463	\$ 280,000	\$ 180,100	\$ 476,149	\$ 1,158,306	\$ 2,647,019
Related Benefits	132,688	-	132,688	68,144	36,144	137,192	267,579	641,847
Professional Services	-	-	-	-	-	-	156,844	156,844
Membership Dues	-	-	-	-	-	-	21,115	21,115
Medical Expense & Insurance	-	-	-	-	-	-	337,900	337,900
Operating Services	-	-	-	-	-	-	55,781	55,781
Travel	252,604	53,093	305,697	138,459	97,500	322,375	40,402	904,434
Equipment & Uniforms	-	-	-	-	-	-	11,558	11,558
Supplies	61,209	-	61,209	990	8,802	28,491	243,098	342,590
Guarantees	-	-	-	136,500	-	-	-	136,500
Scholarships	477,036	-	477,036	118,264	112,879	627,632	18,829	1,351,640
Other Charges	-	-	-	-	-	-	242,829	242,829
Prior Period Adj	-	-	-	-	(1,765)	-	(10,000)	(11,765)
<b>Total operating expenditures</b>	<b>\$ 1,476,000</b>	<b>\$ 53,093</b>	<b>\$ 1,529,093</b>	<b>\$ 742,356</b>	<b>\$ 433,660</b>	<b>\$ 1,591,840</b>	<b>\$ 2,544,340</b>	<b>\$ 6,841,290</b>
<b>Excess revenues over (expenditures)</b>	<b>\$ (74,712)</b>	<b>\$ 687,649</b>	<b>\$ 612,937</b>	<b>\$ (636,184)</b>	<b>\$ (423,660)</b>	<b>\$ (1,584,465)</b>	<b>\$ 319,025</b>	<b>\$ (1,712,348)</b>

The accompanying notes are an integral part of this schedule.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2009**

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**NOTE 1 - ORGANIZATION:**

Southern University-Baton Rouge Campus (the University) is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, etc., require the approval of the Board of Regents. The Board of Supervisors is comprised of 17 members appointed for a six year term by the Governor with the consent of the Senate, and one student member appointed for a one year term by a council composed of the student body presidents of the Southern University System. As a State agency, operations of the University's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

**The Southern University-Baton Rouge Campus operates the following Intercollegiate Athletics Programs:**

- o Football;
- o Basketball (men and women);
- o Baseball;
- o Tennis (men and women);
- o Golf (men and women);
- o Track (men and women);
- o Volleyball;
- o Softball (women); and
- o Bowling (women)

SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Reporting

The accompanying Schedule of Revenues and Expenditures for the Intercollegiate Athletics Program has been prepared in the format set forth in the National Collegiate Athletic Association (NCAA) Audit Guide. The purpose of the schedule is to present a summary of those activities of the **Southern University-Baton Rouge Campus (the University)** Intercollegiate Athletics Program for the year ended June 30, 2009.

Because the schedule presents only selected financial activities of **the University**, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures or other changes of **the University**.

All activities of the Intercollegiate Athletics Programs are reported among **the University's** unrestricted current funds. The unrestricted current funds of **the University** were audited by the State of Louisiana Legislative Auditor.

The accounting principles followed by **the University** in preparing the Schedule of Revenues and Expenditures are as follows:

o Fund Accounting

The accounts of **the University** are maintained in accordance with the principles of fund accounting under which resources for various purposes are classified into funds according to specified activities or objectives. Financial transactions of funds having similar characteristics are combined and reported by fund group. As indicated above, the activities of the Intercollegiate Athletics Program are reported in the unrestricted current funds.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
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FOR THE YEAR ENDED JUNE 30, 2009**

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(CONTINUED)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

o Basis of Accounting

The Schedule of Revenues and Expenditures for the Intercollegiate Athletics Program has been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized, (2) annual and sick leave are recognized when paid, (3) summer school tuition and fees and faculty salaries and related benefits are not pro-rated, but are deferred to the succeeding year, and (4) inventory of the general fund are recorded as expenditures at the time of purchase.

The preparation of the Schedule of Revenues and Expenditures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Additionally, the excess of revenues over expenditures that a specific intercollegiate athletic program generates is utilized to offset a deficit experienced by another program and are recorded as transfers.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures.

**NOTE 3 - STUDENT ATHLETIC FEES:**

An athletic fee of \$140 for the Fall/Spring semesters and \$70 for the summer semester is assessed to full-time undergraduate, graduate and law students who are enrolled on campus and for part-time undergraduate students who are also enrolled on campus. For purposes of the Schedule of Revenues and Expenditures, the student athletic fees have been allocated to other sports and non-program specific activities.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
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FOR THE YEAR ENDED JUNE 30, 2009**

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(CONTINUED)

**NOTE 4 - CAPITAL OUTLAYS:**

Capital outlays are recorded as expenditures in the unrestricted fund and as an addition to fund balance in the Net Investment in the Plant Fund. There were no capital expenditures that pertained to athletics in the current year.

**NOTE 5 - NCAA REVENUE DISTRIBUTION:**

The Intercollegiate Athletics Program received revenues during the year from the NCAA for certain intercollegiate athletic activities. The amount received was calculated by the NCAA in accordance with a distribution formula which is utilized to determine the amount to be remitted to all participating institutions.

**NOTE 6 - OUTSIDE ORGANIZATIONS:**

Southern University-Baton Rouge Campus Intercollegiate Athletics Program is the recipient of contributions to or on behalf of the program established by the Six Man Club, and the Southern University System Foundation. The financial activities of the affiliated organizations are summarized below.

**NOTE 7 - SCHOLARSHIP EXPENDITURE:**

The total scholarship expenditure per the Schedule of Revenues and Expenditures represents all athletic scholarships disbursed during the Fall 2008, Spring and Summer 2009 semesters.